


A change was made in Category D: *Public Services*. Historically, CDBG public services were strictly defined as services that were provided by housing programs; therefore, proposals by non-housing programs to provide services designed to prevent homelessness were deemed ineligible. However, the sky-rocketing rent increases, which are impacting tenants throughout the Bay

Area, have made homelessness prevention activities a critical need for Hayward residents. By broadening the definition to include activities designed specifically to prevent homelessness, projects that assist families before eviction is imminent will be eligible for funding. For example, budget management workshops for low income families would be an eligible activity, *if* part of an eviction prevention program, while general tax counseling workshops would not.

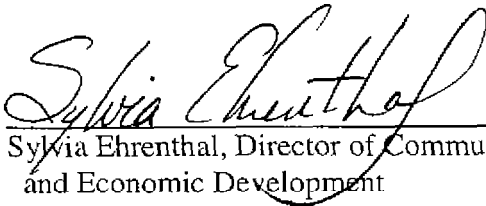
On November 14, 2000, the Citizens Advisory Commission (CAC) met, discussed and unanimously approved the recommendation that Council adopt the revised Policies and Categories of Need (Attachment A).

Prepared by:



Ann Bauman, Neighborhood and Economic
Development Manager

Recommended by:



Sylvia Ehrental, Director of Community
and Economic Development

Approved by:



Jesús Armas, City Manager

Attachments: A. Proposed Policy and Categories of Need FY 2001-2002
B. FY 2000-2001 Policy and Categories of Need
C. Summary Chart of Funded CDBG Programs for FY 2000-2001

**DRAFT
COMMUNITY DEVELOPMENT BLOCK GRANT
POLICY AND CATEGORIES OF NEED
2001-2002**

POLICY STATEMENT

The City of Hayward recognizes there are various emerging and continuing needs of lower-income residents of the City that are appropriately met through the use of Community Development Block Grant (CDBG) funds. Such needs include: new housing, housing rehabilitation, public facilities and improvements, public services, economic development and commercial rehabilitation in the Redevelopment Area. The City of Hayward encourages the development of project proposals designed to address these housing and community development needs. All proposed projects must either--

- directly benefit lower-income persons or households (whose income is at **or** below HUD Low Income Limits for the Oakland Primary Metropolitan Statistical Area); or
- take place in an area where more than 51% of the population is lower income (below HUD Low Income Limits); or
- eliminate slums and blight.

Each project must carry out one of the eligible activities described in the Categories of Need. The percentage of project costs funded by the City will be less than or equal to **the** ratio of eligible Hayward residents that will be served by the project.

CATEGORIES OF NEED

Please note: The allocation of funds represents an approximate range of percentages which may be adjusted, upwards or downwards, depending upon the types of projects that are submitted for funding and the recommendations of CAC and staff approved by Council. Therefore, when the ranges are added together they total more than 100%.

A. New Housing

Allocation Of Funds: 0-20 %

Preference will be given to homeownership projects. New housing development must be affordable for lower-income households. This category includes the purchase and improvement of land to build homeowner units, rental apartments, and condominiums; the development of housing for the disabled and elderly; and the development of emergency shelter and transitional housing.

Eligible activities by a public agency or private nonprofit entity, include: acquisition (in whole or in part) of real property by purchase, lease, donation or otherwise; site clearance; site assemblage; provision of site improvements; preliminary surveys; conceptual and working drawings; preliminary cost estimates; and application and commitment fees. Providing financial assistance to first-time homebuyers for home purchase; relocation (if the unit purchased is currently occupied by a lower income renter household that would be displaced by the purchase); and lead remediation and abatement, as required under HUD regulations.

B. Housing: Rehabilitation

Allocation Of Funds: 20-40%

The conservation and improvement of dwellings serving lower-income households. This category includes the rehabilitation of housing occupied by lower-income households and minor home repairs to lower-income seniors.

Eligible activities include: the in-depth rehabilitation or minor home repairs needed to upgrade owner-occupied conventional and mobile homes through providing financial assistance to private individuals; paying the labor, materials and other costs of rehabilitation; creating improvements to increase the efficient use of energy, improvements to increase the efficient use of water; financing costs associated with the connection of residential structures to water distribution lines or local sewer collection lines; assessment for utility connections for lower income households; costs of tools lent to owners, tenants and others to carry out rehab; and accessibility repairs.

C. Neighborhood Facilities And Improvements

Allocation Of Funds: 25-35%

Acquisition, construction, reconstruction, rehabilitation or installation of eligible public facilities and improvements. Facilities owned by nonprofits are eligible if they are open to the public during normal operating hours and serve all lower income residents of Hayward. Activities that promote energy efficiency may be included, as well as activities that include architectural design features and treatments intended to enhance the aesthetic quality and/or the accessibility of neighborhood facilities and improvements. Types of projects include senior centers, centers for the disabled, curb ramps, removal of architectural barriers, parks, community gardens, playgrounds, and recreational facilities. The City Council has established a priority for facilities providing child care or other youth services.

D. Public Services

Allocation Of Funds: 0-15%

HUD regulations do not allow more than 15% of the City's CDBG funds to be spent on public services. Hayward's City Council has limited public service funding to the following services: fair housing, housing counseling services, the investigation of housing

discrimination complaints, housing placement assistance to lower-income households and other social services which are directly or indirectly* associated with housing.

E. Economic Development

Allocation Of Funds: 0-20%

This purpose of this category is to provide jobs for lower income Hayward residents. To that end, expansion activities by for-profit businesses which increase the number of entry-level jobs that can be filled by lower income Hayward residents are eligible under this category. Activities may include acquisition of real property, construction or rehabilitation of commercial or industrial facilities; the provision of working capital; the purchase of equipment. Assistance for these activities may be in the form of grants, loans, loan guarantees, interest supplements and technical assistance. Activities must benefit lower-income persons, either by upgrading commercial areas of lower-income neighborhoods or by providing employment or other benefits to lower-income residents as a result of assistance.

F. Commercial Rehabilitation

Allocation Of Funds: 20-25%

This category focuses on the elimination of blight in Hayward's Redevelopment Area. Eligible activities include facade improvements, emergency health and safety repairs, and repair of code deficiencies for commercial properties.

* defined as activities specifically designed to prevent homelessness.

POLICY STATEMENT

The City of Hayward recognizes there are various emerging and continuing needs of lower-income residents of the City that are appropriately met through the use of Community Development Block Grant (CDBG) funds. Such needs are: Ownership Housing, Housing Rehabilitation, Public Facilities and Improvements, Public Services, Economic Development and Commercial Rehabilitation. The City of Hayward encourages the development of project proposals designed to address these housing and community development needs. All proposed projects **must** --

- directly benefit lower-income Hayward residents (residents whose income is at or below 80% of the area median income);
- take place in an area where more than 51% of the population is lower income (see attached target area maps); or
- eliminate slums and blight.

Each project must carry out one of the eligible activities described in the Categories of Need. The City will fund no more than the proportion of total project costs equal to the proportion of eligible Hayward residents served by the project.

CATEGORIES OF NEED

A. OWNERSHIP HOUSING

ALLOCATION OF FUNDS: 0-20%

Preference will be given to homeownership projects. New housing development must be affordable for lower-income households. Eligible activities include the purchase and improvement of land to build homeowner units, rentals, and housing cooperatives; the development of housing for the disabled and elderly; and the development of emergency housing.

Eligible activities by a public agency or private nonprofit entity, include: acquisition (in whole or in part) of real property by purchase, lease, donation or otherwise, clearance; site assemblage; provision of site improvements; preliminary surveys; sketch drawings; preliminary cost estimates; and application and commitment fees.

Downpayment and closing costs and second mortgage assistance to first-time homebuyers are needed by lower income renters in order for them to become first-time homebuyers. Eligible activities include providing financial assistance to first-time homebuyers for home purchase and relocation (if the unit purchased is currently occupied by a lower income renter household that would be displaced by the purchase).

B. HOUSING REHABILITATION

ALLOCATION OF FUNDS: 20-40%

The conservation and improvement of dwellings serving lower-income households. These activities include the rehabilitation of housing occupied by lower-income households and minor home repairs to lower-income seniors. CDBG funds may be used to finance the rehabilitation of privately-owned buildings and improvements, lower-income public housing and other publicly-owned residential buildings and improvements otherwise eligible for assistance; code enforcement; historic preservation; and renovation of closed school buildings. Applicants may propose to offer the following to lower-income households: assistance to private individuals and entities; labor, materials and other costs of rehabilitation; loans for refinancing existing indebtedness secured by a property rehabilitated with CDBG funds; improvements to increase the efficient use of energy; improvements to increase the efficient use of water; financing of costs associated with the connection of residential structures to water distribution lines or local sewer collection lines; limited costs to homeowners as a result of rehab; costs of tools lent to owners, tenants and others to carry out rehab; and rehabilitation services.

C. NEIGHBORHOOD FACILITIES AND IMPROVEMENTS

**ALLOCATION OF
FUNDS: 25-35%**

Acquisition, construction, reconstruction, rehabilitation or installation of eligible public facilities and improvements. Facilities owned by nonprofits are eligible if they are open to the public during normal operating hours. Activities that promote energy efficiency may be included, as well as activities that include the execution of architectural design features and treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance. Types of projects include senior centers, centers for the disabled, curb ramps, removal of architectural barriers, parks, community gardens, playgrounds, and recreational facilities. The City Council has established a priority for facilities providing child care or other youth services.

D. PUBLIC SERVICES

ALLOCATION OF FUNDS: 0-15%

Hayward's City Council has limited public service funding to the following services: fair housing, housing counseling services, the investigation of housing discrimination complaints, housing placement assistance to lower-income households and other housing-related social services.

E. ECONOMIC DEVELOPMENT

ALLOCATION OF FUNDS: 0-20%

Activities may include acquisition of real property, construction or rehabilitation of public buildings, commercial, or industrial facilities and assistance to nonprofit organizations, small business investment companies and local development corporations. Assistance for these activities may be in the form of grants, loans, loan guarantees, interest supplements and technical assistance. Activities must benefit lower-income persons, either by upgrading commercial areas of lower-income neighborhoods or by providing employment or other benefits to lower-income residents as a result of assistance.

F. COMMERCIAL REHABILITATION

ALLOCATION OF FUNDS: 20-40%

Activities include facade improvements, emergency health and safety repairs, and repair of code deficiencies for commercial properties in the downtown redevelopment area.

CITY OF HAYWARD

CDBG FUNDED PROGRAMS

FISCAL YEAR 2000-2001

AGENCY	CONTACT	FUNDING/ CATEGORY
Alameda County Foodbank P.O. Box 24590 Oakland, CA 94623 (510) 834-3663 (510) 834-3259 (FAX) 4265	John Momper Executive Director	PUBLIC SERVICES \$25,000
Allied Housing, Inc. 22215 Main Street, Suite 200 Hayward, CA 94541 (510) 881-7313 (510) 881-7320 (FAX)	Joel McCabe Executive Director	OWNERSHIP HOUSING \$100,000
Community Resources for Independent Living 439 A Street Hayward, CA 9354 1 (510) 881-5743 (510) 881-1593 (FAX) 4290	Jack Chapman Executive Director	PUBLIC SERVICES \$40,000
Eden Council for Hope and Opportunity 770 A Street Hayward, CA 94541 (510) 581-9380 (510) 537-4793 (FAX) Fair Housing Counseling 5291 Landlord/Tenant Counseling 4292 Rental Assistance Program 4293	Marjorie Rocha Executive Director	PUBLIC SERVICES \$147,218
Eden Youth Center 680 West Tennyson Road Hayward, CA 94544 (510) 887-1146 (510) 783-0184 (FAX) 4270	Betty DeForest Executive Director	NEIGHBORHOOD FACILITIES AND IMPROVEMENTS \$15,000
Emergency Shelter Program, Inc. 22634 Second Street, #205 Hayward, CA 94541 (510) 581-5626 (510) 581-5628 (FAX) 4269	Ralph Johnson Executive Director	NEIGHBORHOOD FACILITIES AND IMPROVEMENTS \$60,099
Facade Improvement Loan Program City of Hayward 777 B Street Hayward, CA 94541-5007 (510) 583-4233 (510) 583-3650 (FAX) 4277	LeeAnn Hardy Housing Rehab Specialist	COMMERCIAL REHABILITATION \$350,000
Hayward Community Gardens 2505 1 Whitman Street Hayward, CA 94544 (510) 537-8901 (510) 727-9924 (Executive Director) (510) 782-0353 (Treasurer) 4287	John Quintero Executive Director 2037 E Street Hayward, 94541 Betty Chaffin Treasurer	NEIGHBORHOOD FACILITIES AND IMPROVEMENTS \$14,539

AGENCY	CONTACT	FUNDING/ CATEGORY
Housing Conservation Loan Program City of Hayward 777 B Street Hayward, CA 94541-5007 (510) 583-4225 (510) 583-3650 (FAX) 2712	Annette Landry Housing Rehab Coordinator	HOUSING REHABILITATION \$575,000
Human Outreach Agency 22425 Flagg Street Hayward, CA 94541 (510) 582-1172 (510) 582-1171 (FAX) Call First 4295	Israel Chideya Executive Director Dan Federenko Site Director	PUBLIC SERVICES \$45,000
Minor Home Repair Program City of Hayward 777 B Street Hayward, CA 94541-5007 (510) 583-4225 (510) 583-3650 (FAX) 4289	Annette Landry Housing Rehab Coordinator	HOUSING REHABILITATION \$725,000
Shelter Against Violent Environments/WINGS P.O. Box 8283 (94537) 39155 Liberty Street, #C3 LO Fremont, CA 94538 (510) 574-2250 (510) 574-2252 (FAX) (510) 732-9761 WINGS 4272	Rodney Clark Executive Director Carol Sullivan Site Director	PUBLIC SERVICES \$60,000
Small Business Revolving Loan Program City of Hayward 777 B Street Hayward, CA 94541-5007 (510) 583-4235 (510) 583-3650 (FAX)	Paul Dalmon Economic Dev Specialist	ECONOMIC DEVELOPMENT \$150,000